

# 2005-2006 PERFORMANCE PLAN – SENIOR INVESTMENT OFFICER, ASSET ALLOCATION AND RISK MANAGEMENT (Pinkos)

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## Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule	Quarterly Status Report
35%	Total Fund Performance	Excess return in basis points relative to total fund performance benchmark (SJ1C – CPERSTOT)	-40 basis points = 0 0 basis points = 1.0 +20 basis points = 1.5	
35%	<b>Subtotal</b>	<b>Quantitative Measures</b>		

## Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule	Quarterly Status Report
15%	Asset Allocation	1) Provide an assessment that enables a decision related to investing in inflation sensitive assets by 3/31/06.  2) Implement improvements in the sensitivity of the Asset Mix System to better distinguish between candidate asset mixes by 6/30/06.	From Schedule	1) On Schedule  2) On Schedule
20%	Risk Analysis	1) Develop tools to monitor extreme value events at the asset class level by 3/31/06.  2) Evaluate and produce a comparative report on risk management best practices by 3/31/06.  3) Implement within RMS improved data and formula to proxy Real Estate and Alternative Investments by 6/30/06.	From Schedule	1) On Schedule  2) On Schedule  3) On Schedule
25%	Risk Management System Implementation	Rollout Risk Measurement System, including training: - to CIO & SIOs by 9/30/05 - to SPMs by 12/31/05 - to PMs by 6/30/06	From Schedule	Completed CIO/SIOs by 9/30/05 Completed SPMs by 12/31/05
5%	Diversity Plan	Implement all elements of the enterprise wide diversity plan that relate to the responsibilities of the investment office by 6/30/06.	From Schedule	On Schedule
65%	<b>Subtotal</b>	<b>Qualitative Measures</b>		
100%	<b>Total</b>	<b>Quantitative and Qualitative Measures</b>		

Supervisor's Approval: Original signed by Anne Stausboll

Date: January 25, 2006